

Financial Institutions, Insurance & Retirement Committee

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FINANCIAL INSTITUTIONS, INSURANCE & RETIREMENT COMMITTEE

LEGISLATION ENACTED

deferred annuities; cash surrender; payment (S.B. 1073) – Chapter 28

Requires an insurance company to pay cash surrender benefits on individual deferred annuities within 30 days of contract termination and establishes procedures for an insurance company to defer payment.

public supplemental defined contribution plans (S.B. 1200) – Chapter 98

Allows an employee to determine the retirement plan into which any employer matching funds are paid and removes a one percent minimum employee contribution rate to a supplemental defined contribution plan.

variable group contracts (S.B. 1203) – Chapter 99

Defines variable group contracts as a variable group annuity or variable group life insurance policy that consists of two or more individuals. Requires a variable group contract seller to be licensed by the Department of Insurance and authorized to sell variable group contracts by an insurer who conducts business in this state.

group disability insurance; eligible group (S.B. 1204) – Chapter 158

Reduces, from five to two, the minimum number of employees required to be covered by an employer offering group disability insurance and modifies the definition of employee to include an individual proprietor or self-employed person.

certificates of deposit; government investments (S.B. 1216) – Chapter 53

Allows a municipality, a school district, the State Treasurer or a political subdivision to invest surplus funds and other monies in federally insured certificates of deposit using a depository network and establishes guidelines that must be followed when investing in certificates of deposit.

department of insurance; omnibus (S.B. 1242) – Chapter 34

Requires any information obtained through a Department of Insurance (DOI) fraud unit investigation to remain confidential unless a subpoena is issued and requires the Director of DOI to notify the insurer of a subpoena request.

Allows an insurer to meet financial disclosure filing requirements by electronic submission with the National Association of Insurance Commissioners and repeals the requirement that an insurer annually report any reduction in losses incurred as a result of the mandatory seatbelt law.

The Director of DOI may deny, suspend, revoke or refuse to renew an insurance producer's license if the license has previously been denied, suspended or revoked. A managing general agent, adjuster, rental car agent, risk management consultant and bail bond agent shall submit the same

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information that is required of insurance producers and must inform the Director of any change in name, residential or business address, members, directors or officers.

state servicing banks; procedures (S.B. 1296) – Chapter 36

Expands the time frame and alters the application process for a bank to bid on a state servicing contract. Permits the State Treasurer to establish the account balance in the servicing bank and conduct electronic banking transactions with the servicing bank.

fire districts; noncontiguous county areas (NOW: ASRS; postdoctoral scholars; eligibility) (S.B. 1556) – Chapter 173

Stipulates that a postdoctoral scholar employed by a university under the jurisdiction of the Arizona Board of Regents is ineligible for membership in the Arizona State Retirement System.

ASRS; long-term disability amendments (H.B. 2145) – Chapter 114

Decreases Long-term Disability Program (LTD) benefits by increasing social security benefit offsets and extending, from three to six months, the preexisting condition exclusion to receive LTD benefits for disabilities commencing on or after July 1, 2008.

ASRS; investment management (H.B. 2147) – Chapter 270

Modifies the Arizona State Retirement System's investment management requirements and provisions.

ASRS; active military service credit (H.B. 2148) – Chapter 244

Beginning July 1, 2007, allows Arizona State Retirement System (ASRS) members who volunteer or are called into military service and who die or become disabled during service to purchase ASRS service credit. The changes made are repealed on July 1, 2009.

insurance guaranty fund (H.B. 2188) – Chapter 115

Reorganizes the Arizona Property and Casualty Guaranty Insurance Fund Board, allowing current board members to fulfill the remainder of their term, increases the covered claims cap amount from \$100,000 to \$300,000 and creates a new cap of \$10,000 for the return of unearned premiums.

insurance; actuarial opinion; memorandum requirements (H.B. 2189) – Chapter 69

Repeals and rewrites statutory provisions relating to actuarial opinion and memorandum requirements for a life insurer. A life insurer must annually submit a statement of actuarial opinion based on an asset adequacy analysis. Also, outlines specific requirements necessary to be included in actuarial opinions and memorandums.

bank lending limits (H.B. 2198) – Chapter 70

Increases, from 15 to 20 percent, the amount a bank may lend to a single borrower.

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retirement plans; domestic relations orders (H.B. 2215) – Chapter 87

Codifies procedures regarding domestic relations orders for the Public Safety Personnel Retirement System, Corrections Officer Retirement Plan and Elected Officials' Retirement Plan.

captive insurer amendments (H.B. 2294) – Chapter 122

Enacts multiple changes relating to a captive insurer, including: 1) allowing a branch captive insurer to operate in this state if it maintains its principal place of business in this state; 2) prohibiting a branch captive insurer from writing workers' compensation or employers' liability insurance; 3) requiring the manager of any captive insurer to do business at a location within this state; and 4) allowing a captive insurer to insure commercial motor vehicle insurance policies.

water; maximum daily loads; report (NOW: retiree health insurance; rural subsidy) (H.B. 2311) – Chapter 253

SEE NATURAL RESOURCES & RURAL AFFAIRS COMMITTEE.

technical correction; county treasurers; warrants (NOW: county treasurer; procedures (H.B. 2387) – Chapter 215

Allows a county treasurer to disclose confidential taxpayer information under specified circumstances and codifies procedures to follow when a warrant or check is unpaid due to lack of funds.

credit unions; loans; prepayment penalties (H.B. 2478) – Chapter 90

Permits credit unions to charge prepayment penalties on member business loans.